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Budget '94







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Government  
Public

Ontario

B U D G E T

94

May 1994



# Ontario's Budget Plan is Working

**147,000 jobs last year**

*The Ontario government will  
create or save 166,500 jobs  
this year*

**No new taxes. No tax increases.**

*In fact, this budget cuts taxes to  
encourage companies to hire  
new workers*

**Government spending under control**

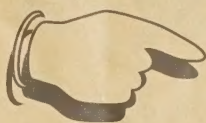
*The province is spending less on  
programs for the second year in  
a row, while preserving services*

**Deficit down 30%  
from two years ago**

*The Ontario government is on  
track to balance its operating  
budget in 1998*

**The Government's plan is working**

**See for yourself**





# 1. Investing in jobs

## Some examples — See for yourself

- created and saved 147,000 jobs last year by investing in training, highways, buildings, water and sewage projects needed to support economic growth
- invested in plants, like Ford's Oakville mini-van plant, 1,100 new jobs, and Commercial Alcohol's new ethanol plant in Chatham, 90 permanent jobs and 1,100 construction jobs
- invested in employee buy-outs, like Provincial Papers mill in Thunder Bay, 700 jobs saved, and Perth Soap in Lanark, 45 jobs saved
- through the social contract, kept up to 40,000 public-sector employees at their work in government, municipalities, hospitals and schools
- through **jobsOntario Training**, created 46,000 job opportunities in partnership with thousands of companies across the province, saving at least \$190 million in social assistance

## This Ontario budget does even more

- creates or saves 166,500 jobs by investing in infrastructure and training
- invests \$3.8 billion to build Ontario's infrastructure, \$300 million more than last year
- introduces a new tax credit for small and medium-sized businesses that will reduce their cost of research and development
- cuts red tape — business owners will now be able to register for their company name, sales tax, employer health tax, and workers' compensation in one place instead of four
- makes it easier for businesses to borrow money from loan and trust companies and labour-sponsored funds, and for co-ops to get more capital

**THIS BUDGET CUTS TAXES. EMPLOYERS WHO HIRE ADDITIONAL PEOPLE WILL NOT PAY THE HEALTH PAYROLL TAX ON THEM FOR THE FIRST YEAR, CREATING AN ADDITIONAL 12,000 JOBS.**

- invests in training and work experience for 370,000 people across Ontario, including 90,000 young people
- funds **jobLink**, to increase job and training placements for Ontarians on social assistance
- raises the number of subsidized child-care spaces to 68,000, a 47 per cent increase since 1990

## See for yourself

# Creating and saving jobs

1993

1994

## jobsOntario Programs

### jobsOntario Capital

Capital .....	76,200	70,900
Canada-Ontario Infrastructure .....	14,900	
Major projects		
Brampton Courthouse .....	200	
Highway 407 .....	3,000	
Metro Toronto Convention Centre .....	100	700
Windsor Casino .....	5,600	
jobsOntario Community Action .....	2,000	3,400
jobsOntario Training .....	25,300	24,000
jobsOntario Summer Employment .....	20,700	23,300
jobsOntario Homes .....	2,100	6,700
Other Social Housing .....	20,600	13,800
Total .....	147,000	166,500

# The plan is working

1. Investing in jobs
2. Preserving services
3. Controlling spending, reducing deficit

## 2. Preserving services

## Some examples — See for yourself

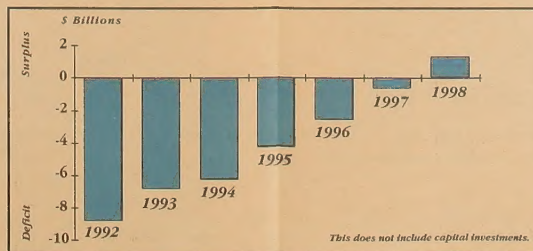
- encouraged school boards to become less top-heavy — so far, 50 of Ontario's boards have cut the number of trustees
- set up the Royal Commission on Learning to consult Ontarians and pave the way for reforms in education
- cut the waiting time for cardiac care by two-thirds by matching people with available services
- increased support to home care programs to allow 200,000 seniors and people with disabilities to stay in their own homes as long as possible
- shifted resources to areas that need it, like cardiac care and dialysis — hospitals now handle more cases with fewer beds because of shorter stays and more day surgery

## This Ontario budget does even more

- keeps funding commitment to hospitals, schools, municipalities, colleges and universities
- continues to work with partners to find ways to deliver public services more efficiently, as in Windsor where hospitals and community services together made changes that are resulting in better services
- increases support for community-based health care to almost \$1 billion, 50 per cent higher than in 1990
- launches a cancer treatment and prevention strategy that will virtually end waiting lists for bone marrow transplants and shorten the waiting time for radiation treatment
- introduces a new health card so that services go only to people who are entitled to them
- invests in multi-use facilities in schools that include community services like child care, libraries, meeting rooms and centres for lifelong learning

## See for yourself

# Operating deficit down 30% from two years ago



# 3. Controlling spending, reducing the deficit

## Some examples — See for yourself

- cost of government programs fell in 1993 for the first time since 1942
- cut the number of government ministries from 28 to 20, saving \$42 million a year
- saving almost \$2 billion annually under the social contract
- reduced the size of the civil service by 4,500 positions with almost no layoffs

## This Ontario budget does even more

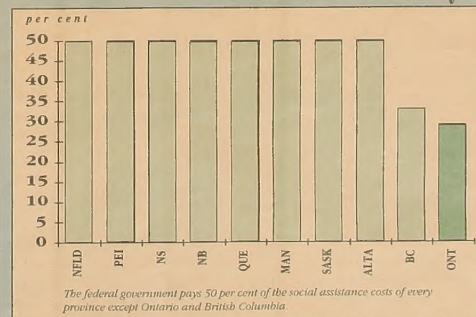
- reduces the deficit by more than 30 per cent from two years ago
- costs \$1.2 billion less to run the government than it did three years ago
- keeps government on target to balance the operating budget by 1998
- announces no new taxes, and no tax increases
- saves \$350 million by managing social assistance better
- saves \$1.6 million annually by improving way of responding to forest fires
- consolidates buying of goods, like photocopiers, for a saving of \$25 million over the next three years

**"LAST YEAR, WE SAID WE WOULD GET THIS YEAR'S DEFICIT TO LESS THAN \$10 BILLION. WE DID THAT. WE BROUGHT IT TO \$9.4 BILLION. IN THIS BUDGET WE PLAN TO BRING THE DEFICIT DOWN TO \$8.5 BILLION. THAT IS A CUT OF MORE THAN 30 PER CENT FROM TWO YEARS AGO. AND WE PLAN TO HAVE A BALANCED OPERATING BUDGET IN 1998."**

— ONTARIO FINANCE MINISTER FLOYD LAUGHREN

## Just the facts...

# On Ontario's fair share of federal money



- The federal government pays half of Quebec's social assistance. Ontario gets only 29 per cent. Cost to Ontario: \$1.7 billion this year
- The rest of Canada gets \$1,500, on average, for every immigrant. Ontario gets \$764. Cost to Ontario: \$110 million
- Ontarians make up 38 per cent of Canada's labour force but get 27 per cent of money available for training and adjustment. Cost to Ontario: \$360 million
- When the federal and Quebec governments decided to cut tobacco taxes, Ontario had no choice but to do the same. Cost to Ontario: \$500 million this year

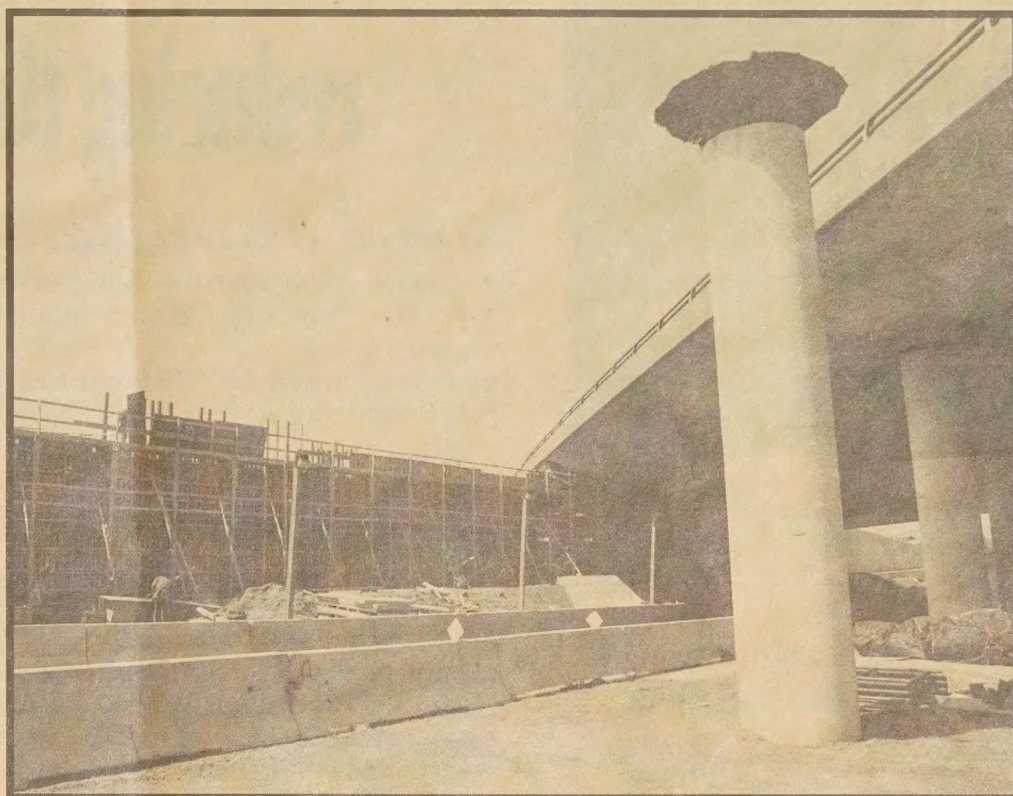


# Some jobsOntario projects in your region

- building new subways in Metro Toronto and transit lines in Mississauga
- expanding the Metro Toronto Convention Centre
- building a new Princess Margaret Hospital
- building a new Seneca College-York University joint campus on York University grounds, as well as a community learning centre in a mall in the Jane-Finch area
- erecting a new courthouse in Brampton



- restoring the Don Valley Brickworks and cleaning up the surrounding green space



**T**HIS BUDGET INCLUDES A MAJOR INVESTMENT IN ONTARIO'S HIGHWAYS. THE NEW HIGHWAY 407, JOINING HIGHWAYS 403 AND 48, WILL CREATE 20,000 JOBS. MORE WILL COME FROM WORK ON HIGHWAY 401, THE QEW AND OTHER MAJOR LINKS. THESE PROJECTS ARE PART OF THE GOVERNMENT'S PLAN TO BUILD ONTARIO'S INFRASTRUCTURE TO CREATE JOBS AND BOOST ECONOMIC GROWTH.

## Where the money comes from and where it's spent

### 1994 Operating Budget

	millions
<b>Revenue</b>	
Personal income tax .....	\$14,810
Retail sales tax .....	8,610
Corporations tax .....	3,780
Gas and fuel tax .....	2,450
Employer health tax .....	2,540
Other taxes .....	885
Federal government .....	7,252
Other revenue .....	4,723
Total .....	\$45,140
<b>Expenditure*</b>	
Health .....	17,321
Social services .....	10,856
Education and training .....	8,766
Public debt interest .....	7,945
Resources & economic development .....	3,817
Justice .....	1,726
General government & other .....	1,057
Total .....	\$51,488

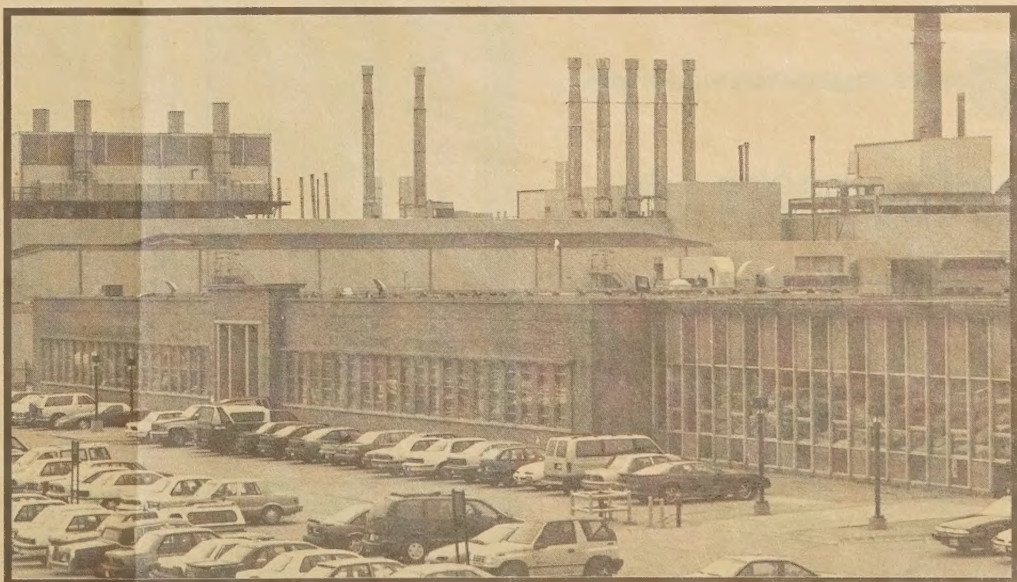
\*Does not include capital investment

## Investors choose Ontario

**B**usiness is showing confidence in Ontario, with plans to invest \$21 billion in machinery and equipment in 1994, an increase of more than 10 per cent.

Companies have also announced some major projects: \$4 billion by the province's auto

industry, \$210 million by Apotex in North York, \$160 million by TransCanada Pipelines in North Bay and Kapuskasing, \$116 million by Domtar in Cornwall, \$41 million by Bombardier in Thunder Bay, \$53 million by Dimona Aircraft in London.



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